

Criteria of Evaluation for Land Allotment Application

Applications for allotment of land/module are submitted by prospective entrepreneurs in approved format of 'Declaration of Intent' along with a copy of the DPR and other necessary documents required for due assessment of the proposal. The proposals are broadly appraised on the basis of three parameters, namely: Financial, socioeconomic and land requirement. The details of such appraisal are as follows:

- Financial Appraisal of project:

In financial appraisal of the project, the financial viability, means of finance, implementation capability of investor, experience and background of investors etc. are assessed. The following aspects are assessed of a particular company:-

1) The financial achievements based on the past three years balance sheet, turnover, profit margin, profit after tax, current ratio etc. are taken into consideration. Market presence is also considered along with the background of the promoters. 2) The performance of the group companies, if any, is also considered. 3) The future projections of the performance of the company is obtained for five to seven years which is then analyzed in terms of Debt- equity ratio, Debt Service Coverage ratio, Internal rate of return, profit percentage and Return on investment. Future marketing strategy of the company is also considered.

- Socio- economic Appraisal:

Socio-economic appraisal for a particular project is done on the following parameters:

Employment potential-both direct & indirect. Supply of raw materials and source thereof. Market proximity for the intermediate and end products.

Benefit to the local community and its neighborhood in terms of income and employment generation-multiplier effect on the economy.

- Requirement of land:

To assess the requirement of land for a particular project, the following broad aspects are considered:

- 1) The plant layout of the company.
- 2) Utilization of land for different purpose.
- 3) Standard norms for requirement of land for the project.
- 4) Production capacity vis-à-vis land requirement etc.

Note: All the applications received in a month are processed in the following month.